

# STARTING A FAMILY

## 9 things to do to build a bright financial future

Congratulations, you're starting a family! Time to reorganize and reprioritize your finances. You can take these simple but important steps to get on the right track.



### 1 Adjust your budget

We know that a new baby brings in a lot of extra expenses in the first year and beyond. You can adjust for those expenses and make room for a new baby in your budget – but first, you need to know where your money is going. Track your expenses carefully for a month. Once you know where your money is going, we can help you analyze your monthly spending and determine a realistic plan for you.

### 2 Build emergency savings

Aim to set aside three to six months worth of your estimated monthly expenses in a savings account, because one thing is for certain – you can expect the unexpected. But you won't get there all at once. Your first goal can be to get your savings to \$1,000, and then keep building from there. We can help you set up automatic savings so that you don't even miss the money you set aside regularly.

### 3 Get life insurance

A general rule is to have from five to 10 times your income in life insurance. Adequate life insurance will ensure that your family is taken care of should something happen to you. We can connect you with a professional who will help you determine the right insurance for your needs.

### 4 Re-evaluate your financial goals and plan for the future

Once you've completed these steps, think long-term about your financial goals and what you need to change or adjust. Write down what you want for your family's finances in five years and be specific. Once you have your goals identified, we'll help you determine the specific steps you need to take to get there.

### 5 Get a Social Security number for your child

In order to claim your child on your tax return, your child needs a Social Security number.

## 6 Open a savings account in your child's name

A recent study done by the College Saving Initiative showed that kids with savings accounts in their own names are six times more likely to go to college. The amount in the accounts doesn't matter as much as simply having the account. When they are old enough, have them make deposits and withdrawals so they develop a sense of ownership. It's an easy but important step that will have life-long benefits.

## 7 Review your W-4 and current benefits information with your employer

Make sure your deductions and withholdings are accurate and meet your family's needs – the W-4 worksheet will walk you through the process. You should make sure you understand your health and life insurance benefits as a family, including any additional costs. You should also review your beneficiaries to make sure they're consistent with the desires of your will. Establish flexible or dependent savings accounts if offered through your employer.

## 8 Start a college fund

According to the College Board, the average cost for tuition and fees at four-year public institutions has increased nearly 51% over the last 10 years (after adjusting for inflation). The sooner you start saving for college, the better. We recommend researching college funding options to see what will work best for you. The key is to get in the habit of setting money aside regularly. Meet with a Summit financial coach to learn more about college funding options.

## 9 Develop a will

A will is the most important legal document for your family. In addition to determining a legal guardian for your children, consider appointing a financial guardian as well, who can take care of financial decisions that may need to be made if something happens to you. You should also review your beneficiaries to make sure they're consistent with the desires of your will.

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